

ANNUAL REPORT 2021



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தேசிய உணவு ஊக்குவிப்புச் சபை
National Food Promotion Board
(ශ්‍රී ලංකා ජාතික සාහිති නිවීමේ ව්‍යාපාර මණ්ඩලය)



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vision

Creation of the economic independence and self -confidence through the Implementation of the Programmes for re-establishment of the Dignity of the farmers and less privileged persons.

Mission

Implementation of participatory development Programmes to develop competencies in agriculture, livestock and the other fields in order to establish the economic independence and to alleviate the dependency culture of the beneficiaries.

Board of Directors as at 31st December 2021

Mr. D.M. Thilak Dewagiribandara

Chairman

National Food Promotion Board

Mr. A.W.A. Chaminda Abeysekara

Vice Chairman

National Food Promotion Board

Mr. C.C. Muhandiramge

Additional Secretary (Administration)

State Ministry of Company Estates Reform Tea and Rubber Estates Related Crop Cultivation and Modernization of Factories and Tea and Rubber Export Promotion

Mrs. P.S.M. Senadeera

Chief Internal Auditor

State Ministry of Company Estates Reform Tea and Rubber Estates Related Crop Cultivation and Modernization of Factories and Tea and Rubber Export Promotion

Mr. K.D.N. Siriwardana

Director General

Ministry of Irrigation

Mr. K.A.R. Dharmasena

Director (Operation and Assessments)

Ministry of Agriculture

Mrs. Inoka Lankathilaka

Deputy Director (Administrative Division)

Ministry of Finance, Economic and Policy Development

Mr. T.M. Rihan

Assistant Director (Development)

Ministry of Finance, Economic and Policy Development

Dr. K. Dhanuska Dewapriya

National Hospital

Member of the Board of Directors

Mr. Sanjith Senanayaka (Attorney –at-Law)

Member of the Board of Directors

Dates of Meetings of the Board of Directors held in 2021

- 407th Meeting of the Board of Directors - 2021.01.18
- 408th Meeting of the Board of Directors - 2021.03.01
- 409th Meeting of the Board of Directors - 2021.04.28
- 410th Meeting of the Board of Directors - 2021.08.02
- 411th Meeting of the Board of Directors - 2021.09.24
- 412th Meeting of the Board of Directors - 2021.10.06
- 413th Meeting of the Board of Directors - 2021.11.29

07 Meetings have been conducted in the year 2021

Attendance for the Meetings of the Board of Directors

407 - Meeting of the Board of Directors

1. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
2. Mr. C.C. Muhamdirange, Additional Secretary (Development),
State Ministry of Company Estates Reform Tea and Rubber Estates Related Crop
Cultivation and Modernization of Factories and Tea and Rubber Export Promotion
3. Mrs. K.A.R. Dharmasena, Director (Operation and Assessments), Ministry of
Agriculture.
4. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division), Ministry
Finance, economic and Policy Development
5. Mr. T.M. Rihan, Assistant Director (Development), Ministry Finance, economic
and Policy Development

408 - Meetings of the Board of Directors

10. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
11. Mr. A.W.A. Chaminda Abeysekara, Vice President, National Food Promotion
Board
12. Mr. C.C. Muhamdirange, Additional Secretary (Development),
State Ministry of Company Estates Reform Tea and Rubber Estates Related Crop
Cultivation and Modernization of Factories and Tea and Rubber Export Promotion
13. Mrs. K.A.R. Dharmasena, Director (Operation and Assessment), Ministry of
Agriculture

14. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division),
Ministry Finance, economic and Policy Development
15. Mr. T.M. Rihan, Assistant Director (Development), Ministry of Finance, Economic and
Policy Development

409 - Meetings of the Board of Directors

16. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
17. Mr. A.W.A. Chaminda Abeysekara, Vice President, National Food Promotion
Board
18. Mr. C.C. Muhamdirange, Additional Secretary (Development),
State Ministry of Company Estates Reform Tea and Rubber Estates Related Crop
Cultivation and Modernization of Factories and Tea and Rubber Export Promotion
19. Mrs. K.A.R. Dharmasena, Director (Operation and Assessment), Ministry of
Agriculture
20. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division), Ministry
of Finance, Economic and Policy Development

410- Meetings of the Board of Directors

21. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
22. Mr. A.W.A. Chaminda Abeysekara, Vice President, National Food Promotion
Board
23. Mrs. P.S. M. Senadeera, Chief Internal Auditor, State Ministry of Company
Estates Reform Tea and Rubber Estates Related Crop Cultivation and Modernization
of Factories and Tea and Rubber Export Promotion
24. Mr. K.D.N. Siriwardana, Director General, Ministry of Irrigation
25. Mrs. K.A.R. Dharmasena, Director (Operation and Assessment), Ministry of
Agriculture
26. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division), Ministry
Finance, economic and Policy Development
27. Mr. T.M. Rihan, Assistant Director (Development), Ministry of Finance,
economic and Policy Development

411- Meetings of the Board of Directors

28. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
29. Mr. A.W.A. Chaminda Abeysekara, Vice President, National Food Promotion Board
30. P.S.M. Ms. Senadheera, Chief Internal Auditor, State Ministry of Company Estates Reform Tea and Rubber Plantation Related Crops and Factory Modernization and Tea and Rubber Export Promotion.
31. Mr. K.D.N. Siriwardana, Director General, Ministry of Irrigation
32. Mrs. K.A.R. Dharmasena, Director (Operation and Assessment), Ministry of Agriculture
33. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division), Ministry of Finance, Economic and Policy Development
34. Mr. T.M. Rihan, Assistant Director (Development), Ministry of Finance, Economic and Policy Development

412- Meetings of the Board of Directors

35. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
36. Mr. A.W.A. Chaminda Abeysekara, Vice President, National Food Promotion Board.
37. Mrs. P.S.M. Senadeera, Chief Internal Auditor,
38. P.S.M. Ms. Senadheera, Chief Internal Auditor, State Ministry of Company Estates Reform Tea and Rubber Plantation Related Crops and Factory Modernization and Tea and Rubber Export Promotion
39. Mr. K.D.N. Siriwardana, Director General, Ministry of Irrigation
40. Mrs. K.A.R. Dharmasena, Director (Operation and Assessment), Ministry of Agriculture
41. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division), Ministry of Finance, Economic and Policy Development
42. Mr. T.M. Rihan, Assistant Director (Development), Ministry of Finance, Economic and Policy Development

413- Meetings of the Board of Directors

43. Mr. D.M. Thilak Dewagiribanda, Chairman - National Food Promotion Board
44. Mr. A.W.A. Chaminda Abeysekara, Vice President, National Food Promotion Board.
45. Mrs. P.S.M. Senadeera, Chief Internal Auditor, Chief Internal Auditor, State Ministry of Company Estates Reforms Tea and Rubber Plantation Related Crops and Factory Modernization and Tea and Rubber Export Promotion
46. Mr. K.D.N. Siriwardana, Director General, Ministry of Irrigation
47. Mrs. K.A.R. Dharmasena, Director (Operation and Assessment), Ministry of Agriculture
48. Mrs. Inoka Lankathilaka, Deputy Director (Administrative Division), Ministry of Finance, Economic and Policy Development
49. Mr. T.M. Rihan, Assistant Director (Development), Ministry of Finance, Economic and Policy Development

Chairman's review

Making His Excellency President Gotabaya Rajapaksa's vision of prosperity a reality, based on the concept of a people-centric economy, necessary measures are being implemented to promote non-toxic value-added food and for this, the guidance given by Hon Basil Rajapaksa and Hon Mahindananda Aluthgamage, Minister of Agriculture is a courage for us. In order to achieve this goal, the National Food Promotion Board had planned to implement a number of projects this year.

Especially, in Dehiwala and Narahenpita farm produce shops, this has led to sustainable solutions to the problem of finding a market and getting a fair price for products, which is a major problem for the products of the rural farming community, and to enable the urban community to get high quality, fresh products at a fair price.

In addition, in view of the current Covid-19 epidemic situation, by setting up stalls in the urban areas of Dehiwala and Narahenpita, the urban people can buy crops and fruit plants that produce more fruits in less space, and provide the necessary advice for planting.

Instead of imported wheat flour, which has been the cause of many infectious diseases, it has taken the initiative to popularize foods prepared using local substitutes. Also, the substitutes for the imported milk powder which are under discussion have been produced and presented by the registered entrepreneurs of our company. Initial plans are in place to popularize this approach throughout the island through the "Agro Fesh Super" chain of local food outlets.

It is difficult for our company to deviate from the current situation of the Covid-19 epidemic when the economy of the whole world is lagging behind. But the minimum available staff has been used effectively to carry out development activities. The team spirit among the staff at all levels, including the Vice Chairman of the Board, Mr. Chaminda Abeysekera, was a great help in achieving these achievements. I express my sincere thanks to all the officials of the Ministry of Agriculture who have supported it and wish the board to achieve great achievements.

D. M. Tilak Devagiribandara
Chairman
National Food Promotion Board

Board information

**Name: Sri Lanka National Freedom from Hunger Campaign Board
(National Food Promotion Board)**

Location and Legal Form:

Established by the Sri Lanka National Hunger Eradication Act No. 15 of 1973. From 2009, the Cabinet approved the use of the name as "National Food Promotion Board".

Primary Activities and Objectives:

An organization that mainly provides services to people who have suffered economic injustice. The objectives are;

- Obtaining assistance from non-government foreign and local deputations for social and economic development in accordance with the development work order prepared by the government.
- To assist institutions and other bodies in implementing public welfare, social and economic development schemes.
- Support, develop and coordinate specific schemes aimed at agricultural and industrial development.
- Encouraging non-government deputations in implementing proposals for increasing agricultural and industrial production.
- Collaborating with the International Campaign to End Hunger and other similar foreign organizations, associations or societies

Line Ministry: Promotion and Supply Regulation of Organic Fertilizers and Promotion of Cultivation of Paddy and Cereals, Organic Foods, Vegetables, Fruits, Chillies, Lemons and Potatoes State Ministry of Seed Production and High Technology Agriculture

Office: No.45, Kirimandala Mawatha, Colombo 05.

Telephone : 0112506895/ 0112505684

Fax : 0112506907

E mail : ffhc.srilanka@gmail.com

Website : www.nfpb.lk

Auditors: Auditor General's Department
Internal Audit Division: Ministry of Agriculture

Bankers: Bank of Ceylon – Borella
People's Bank - Dehiwala

Strategies:

- Integrating the development goals in order to direct to a collective objective.
- Providing opportunity to rural community to extend their cooperation in the economic and social development.
- Empowering the rural community enabling to participate in the development process.
- Changing towards the values that can be achieved with the establishment of self-confidence among traditional village community in order to generate self-propelled sustainable development.
- Promoting consumption and production of indigenous foods.
- Introducing technology of minimizing the post -harvest losses up to grass-roots level.

Staff of Sri Lanka National Freedom from Hunger Campaign Board

As of December 31, 2021, the staff status of the Sri Lanka National Freedom from Hunger Campaign Board is as follows.

Chairman

Mr. D.M. Tilak Devagiribandara BA.

Vice President

Mr. A.W.A. Chaminda Abeysekera BA. MA.(MRDP)

Senior Manager

Dr. Rohan Karavita B.Sc. M.Sc. Ph.D.(Marine BTch) Director

Mr. G.G.D.S. Priyankara, a B.Sc. PGDip. Dip. (Mkg Mgt) Deputy Director (Development)
W.B.

Mr. Manoj Gunawardena, B.Sc. (Agric.) M.Sc. Assistant Director (Development)

Mrs Shyama Gunawardena, MLRHRM. M.B.A. BLE Assistant Director (Administration)

Mrs. Mala Ambepitiya BA. CBA Licentiate, HNDA 2nd Assistant Director (Finance)

The Manager

Mrs. V.M.C.K. Navaratne B.Sc. (Business Admin) Finance Officer

Mr. Ishan Abeysinghe B.Sc. (Agric.) Project Officer

Mr.Harsha Krishan B.Sc.(Agric.) Project Officer

Ms.Dilhari Danushika B.Sc.(Agric.) Project Officer

Management Assistant (Technical)

Mr. Tharidu Kasun Welihida B.Sc. (Agric.)

Mr. Chiranjeeva Karunaratne

Mr. Charita Janaka

Management Assistant (Technical Assistant)

Mrs. Chandra Abeysinghe

Miss Thilini Katulanda

Mrs. JNK Jayalath

Mrs. Thushira Abeygunawardena

Mrs. Chaturi Senanayake

Mr. Budhika Sanjeeva

Mr. Duminda Sampath

Driver

Mrs. Ranjith Warakaula
Mrs. Lal Gamini Rupasingha
Mrs. Ajith Wijekumara
Mrs. Nishantha Abeyratne
Mr. E.M. Harsha Kumara
Mr. T.P. Rohana

Office Assistant

Mrs. Upendra Rajapakse
Mr. Upali Dissanayake
Mrs. Nilmini Kumari

Labors

Mr. Udaya Kumara
Mrs. Lakshita Panagoda
Mr. Tharanga Sundakelum
Mr. Gayanta Sammika
Mr. S. Lilan
Mr. Dilan Kodithuwakku
Mrs. Nadika Shyamali
Mr. Lakmal Saman Kumara
Mr. Malintha Madhushan
Mr. Lankathilaka Ratnayake
Mrs. E.L.P. Priyanthi Yamuna
Mrs. Sudesh Kirivandeniya
Mrs. Dinesh Chaturanga
Mr. D.S. Sameera
Mr. P. Wijedasa

Mr. W. H. Chinthaka Krishan
Mr. Amit Sampath Manage
Mr. Suminda Priyalal
Mrs. Nalin Rangana Jasingha
Mr. Gayan Kamaljit
Mr. N.A. Upali
Mrs. Amila Prasad Ariyapala
Mr. H.G. Upul
Mr. I.G. Prabhat Chaturanga
Mr. Sudat Chandana
Mrs. S. K. M. Kumarasinghe
Mr. Sampath Sisira Kumara
Mrs. A. M. Gnanasiri
Mr. Suranga Sanjeeva Karunathilaka
Mrs. Mahinda Samaranayake
Mrs. Kanthi Kulasiri

The cook

Mr. T.S.D. Wickramasinghe

Overall Performance:

It had planned 13 projects to directly and indirectly raise the economic status of local farmers and empower small and medium scale producers by encouraging their production, by Providing non-toxic local food, value-added food and non-toxic local agro inputs to consumers at subsidized prices

Due to the lack of government funding for the projects submitted by the Sri Lanka National Freedom from Hunger Campaign Board for the year 2021 due to the Corona epidemic situation in the country, the development department has implemented only 08 self-funded projects. Below is a brief report of the ongoing projects.

Farm Development - Buttala and Thanamalvila Farms

Farm development projects have been operating continuously since 1986 in the areas of 16th Mile post, Raja Mawatha, Buttala and Meegaswewa, Hambegamuwa Road, Thanamalvila.

1. Farm Development - Buttala

Buttala Model Farm has multi-seasonal crops of mango, orange, lime and coconut. In addition to this, a new coconut plantation and turmeric plantation was started on another 2.5 acres of land in the farm and the harvest of the turmeric plantation will be possible by the year 2022.

The dilapidated elephant fence around the farm was renovated this year and a pipe to get water for the crops was built by the National Water Supply and Drainage Board.

In 2021, the farm incurred an expenses of Rs 1.86 million.

2. Organic Fertilizer Production - Buttala Farm

As a project started in the year 2017, the organic fertilizer production project is continuously running till now. Here, the production of fertilizers such as compost fertilizer, kohubat and

badun mixtures etc. is successfully carried out and with the restriction of the import of chemical fertilizers, there was a very high demand for the products of this project.

Fertilizers produced in this way are provided to the people at reasonable prices through the stores owned by our company.

In the year 2021, the operating income of this project is Rs 2.26 million and the operational expenditure is Rs 1.88 million. A net profit of Rs 0.09 million has been earned this year.

3. Farm Development - Thanamalwila

It was planned to carry out the renovation of the dilapidated Sagini tank in Thanamalvila Model Farm in collaboration with the Department of Agricultural Development. The cost estimation for that was prepared by the Monaragala District Office of the Agricultural Development Department, and the cost was stated as Rs. 4.279 million. Out of the total cost, Rs 2,495 million was provided by the Department of Agricultural Development, and the remaining amount was provided by the Institute.

In the first phase, the renovation work done in relation to the lake has been completed and the paddy land and canal renovation work remains to be done and it is planned to start an organic fertilizer production project jointly with Rakna Lanka Security Division.

In the year 2021, the general activities cost of Thanamalvila farm is stated as Rs 0.87 million.

4. Plant Sales Centre - Narahenpita

In order to encourage rural people as well as urban residents to grow and consume what they want in their own gardens, our organization aims to popularize "non-poisonous" food and provide urban residents with all types of vegetable plants needed for gardening at a discounted price. Narahenpita Sapling Nursery can be introduced as an initiated project. Medicinal plants, flower plants and fruit plants (especially underutilized fruits) and fruit and vegetable seeds, vegetable and flower fertilizers, organic fertilizers, insect repellents, agricultural equipment etc. can be bought from this place and also free advice on crop cultivation is also available from this site.

This year the project has earned an income of Rs 7.12 million.

5. Plant Market - Dehiwala

The Dehiwala outlet also fulfills the functions performed by the Narahenpita outlet.

This year's operating income is Rs 4.70 crore and a net profit of Rs 0.04 crore has been achieved.

6. Farm Products and Food Store - Dehiwala

Farmers' products, value-added products of local entrepreneurs, as well as traditional rice varieties (rice varieties like Suvadala, Kaluhinatti, Pacchaperumal etc.), Mawposha, Suvaposhala (nutritional food), Those flour mix, special rice flour mix etc. prepared by the institute. This project was started and is being implemented with the aim of popularizing non-toxic foods.

Also, arrangements have been made to provide nutritional and quality food to the people at concessional prices through the canteen operating in connection with this.

This year the project has earned an income of Rs 9.53 million.

7. Traditional Rice Processing Project

The traditional rice production project was started to achieve the sustainable development goals of healthy life and food for all. The consumption of this rice is important to avoid non-communicable diseases that spread throughout Sri Lanka. This consumption of rice results in a healthy population and empowerment of local farmers. Paddy is purchased from traditional paddy farmers in Anuradhapura district at reasonable prices and processed into rice at the Kalangkuttiya factory and sold to outlets in Dehiwala, Narahenpita and the private sector.

This project has earned an income of Rs 2.32 crore.

8. Rice Flour Promotion Project

The rice flour project can be called as a project that was started earlier to popularize the use of rice flour among the people. This project is carried out in the Peradeniya Gannoruwa factory owned by the company

Report on Annual Accounts -2021

Sri Lanka National Freedom from Hunger Campaign Board

The statements of Financial Position and Financial Performance have been prepared in compliance with the generally accepted Accounting Policies and in accordance with the Accounting Standards of Sri Lanka Public Sector based on historical cost and going concern concepts.

Accounting Policies:

- Calculations of depreciation are made from the date of purchasing of assets and all the assets are depreciated their useful life time.
- Allocations have been made for Bad and Doubtful debts which are the receivable balances.
- Allocations have been made for all identified liabilities.
- Allocations for gratuities have been calculated on the basis of service period of each employee entitled to gratuity.
- Income which was exceeded the expenditure has been calculated after making allocations for all known liabilities.
- Stocks are calculated on the basis of less value out of the values of cost and net realized value. Cost for the following stocks is calculated under the following methods.
- Raw materials - calculated at the actual cost using first in first out method
- Unfinished stocks - calculated at the direct raw material cost
- Finished stocks - Direct raw materials, variable overhead cost and direct salaries are calculated at the actual cost
- Consumables – calculated at the actual cost
- Allocations received form the government have been shown as a revenue in the revenue statement and expenditure items have also been presented separately.

Following projects have been implemented by the Sri Lanka National Freedom from Hunger Campaign Board in the year 2021.

| Project | Funded by | Location of the project |
|---|--------------------|-------------------------|
| Development of the farm - Thanamalwila | Self- funds | Thanamalwila |
| Development of the farm - Buttala | Self- funds | Buttala |
| Traditional rice project | Self-funds | Kalankuttiyagama |
| Plant Nursery - Dehiwala | Self-funds | Dehiwala |
| Plant Nursery - Narahenpita | Self-funds | Narahenpita |
| Compose Fertilizer Project | Self- funds | Buttala |
| Farm Product Sale outlet- Dehiwala | Self- funds | Dehiwala |
| Rice flour project | Self- funds | Kalankuttiyagama |

Following Current Accounts have been maintained under the Sri Lanka National Freedom from Hunger Campaign Board in this year.

194125 - Allocations received from the Treasury
 Ministry of Agriculture, Development of farm in Buttala, Development of farm in Thanamalwila, Promoting of usage of rice flour, Plant nursery, Dehiwal outlet, Compost project, Traditional rice project

337100196138295 - Income from Dehiwala outlet

Separate ledgers are maintained for each project.

Sri Lanka National Freedom from Hunger Campaign Board

Statement of Financial Position as at 31 December 2021

| Description | | Note | 2021 Rs. | 2020 Rs |
|---------------|-------------------------------------|------|-----------------------|-----------------------|
| Assets | | | | |
| | Non-current assets | | | |
| | Properties, Plant and inputs | 1 | 335,926,794.05 | 339,274,669.37 |
| | Land | | 307,200,000.00 | 307,200,000.00 |
| | Buildings | | 18,528,740.37 | 20,809,409.49 |
| | Motor vehicles | | 2,128,636.98 | 3,289,136.98 |
| | Machineries and Equipment | | 1,033,580.91 | 2,086,887.45 |
| | Furniture and fittings | | 1,149,868.56 | 1,221,513.46 |
| | Office equipment | | 915,395.73 | 1,133,959.92 |
| | Agricultural equipment | | 1,874,753.69 | 219,369.09 |
| | Garden equipment | | 534,347.63 | 448,184.29 |
| | Other equipment | | 290,248.54 | 134,221.34 |
| | Computer Accessories | | 329,544.36 | 631,664.98 |
| | Temporary buildings | | 1,455,991.51 | 1,567,990.85 |
| | Measuring instruments | | 102,552.11 | 165,131.52 |
| | Work in progress Temporary building | | 111,487.08 | - |
| | Software | | 271,646.58 | 367,200.00 |
| | Financial assets | | 222,607,192.85 | 218,931,269.10 |
| | Savings Deposits | | 623,320.98 | 590,490.94 |
| | Fixed deposits | | 217,142,385.11 | 210,851,746.80 |
| | Distress and Ten Month Loans | | 4,841,486.76 | 7,489,031.36 |

| | | | | |
|--|-------------------------------------|--|-----------------------|-----------------------|
| | Current assets | | 10,656,990.23 | 18,098,830.81 |
| | Deposits | | 411,816.50 | 411,816.50 |
| | Stock | | 4,544,988.17 | 4,064,472.15 |
| | Debtors | | 686,862.77 | 686,862.77 |
| | Receivables | | 3,185,489.82 | 8,637,501.72 |
| | Cash in hand and cash at Bank | | 1,827,832.97 | 4,298,177.67 |
| | | | | |
| | Total assets | | 569,190,977.13 | 576,304,769.28 |
| | | | | |
| | Equity and liabilities | | | |
| | Capital and Reserves | | 476,673,409.69 | 483,785,153.14 |
| | Fund balance | | 373,449,723.39 | 376,879,914.68 |
| | Accumulaed Fund | | 103,223,686.30 | 106,905,238.46 |
| | | | | |
| | Non-current liabilities | | 11,440,765.00 | 10,523,620.50 |
| | Retirement Gratuity Provisions | | 11,440,765.00 | 10,400,800.00 |
| | Medium term loans | | - | 122,820.50 |
| | | | | |
| | Current liabilities | | 81,076,802.44 | 81,995,995.64 |
| | Retention money | | 555,537.56 | 582,260.85 |
| | Refundable Deposits | | 78,032,807.61 | 78,064,880.71 |
| | Accrued expenses | | 2,488,457.27 | 3,348,854.08 |
| | TOTAL EQUITY AND LIABILITIES | | 569,190,977.13 | 576,304,769.28 |

Sri Lanka National Freedom from Hunger Campaign Board Statement of Financial Performance as at 31 December 2021

| Description | Notes | 2021 Rs. | 2020 Rs. |
|--|-------|-----------------------|----------------------|
| Revenue | | 53,087,789.92 | 73,006,276.20 |
| Treasury/Ministry Grants | 3,4 | 37,499,400.00 | 48,778,707.26 |
| Other operating income | 2 | 4,020,512.13 | 8,373,269.35 |
| Interest on savings, Fix deposit & others | | 11,125,961.15 | 14,730,745.20 |
| Amount received on disposal of assets | | 97,916.64 | 608,581.79 |
| Remittance of asset sale proceeds to treasury | | - | (312,000.00) |
| Other income | | 344,000.00 | 826,972.60 |
| | | | |
| Expenditure | | 56,916,435.40 | 60,501,068.09 |
| Personnel emoluments | | 39,773,992.98 | 43,596,155.58 |
| Travel expenses | | 266,071.20 | 168,332.16 |
| Supplies and Requirements | | 1,421,406.30 | 1,275,769.24 |
| Repair and maintenance of fixed assets | | 3,638,967.39 | 3,322,014.24 |
| Translation, communication, support and other services | | 11,815,997.53 | 12,138,796.87 |
| | | | |
| Income over Expenditure/Surplus (Deficit) | | (3,828,645.48) | 12,505,208.11 |


We certify that the financial statements have been prepared in compliance with the requirements of Public Sector Accounting Standards.

Chairman: *[Signature]* Director: *[Signature]* Assistant Director (Finance): *[Signature]*
 Mr. D.M.T. Dewagiri Bandara Dr. K.R.S. Karawita Mrs. M.S. Ambepitiya

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of the Directors and signed on behalf of the Board of Directors.

Directors: 1. *[Signature]* 2. *[Signature]*

Secretary, **P. S. M. Senadheera**
 State Ministry of Promoting the Production & Regulating the Supply of Fertilizer, Paddy Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture.
 M.N. Ransinghe
 Secretary
 State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer, and Paddy & Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture
 (B/S, Sri Lanka Ministry)



Sri Lanka National Freedom from Hunger Campaign Board
Cash Flow Statement for the year ended 31.12.2021

| | Note | 2021 Rs. | 2020 Rs. |
|---|------|-----------------|------------------|
| Cash flows (used)/received by operating activities | | | |
| Net profit/loss before income tax | | (3,828,645.48) | 12,505,208.11 |
| Adjustments | | | |
| Depreciation | | 6,385,679.23 | 6,305,429.58 |
| Depreciation of Vehicle Transfers / sales | | - | (1,631,415.15) |
| amortization | | (3,449,181.79) | (3,499,323.65) |
| Interest income from investment activities | | (11,125,961.15) | (14,730,745.20) |
| Prior year adjustments | | 166,083.82 | (2,426,255.59) |
| Other equipment depreciation adjusted less than last year | | 4,000.00 | - |
| Adjustment of cost of loan from Agricultural Trust Fund | | (122,820.50) | - |
| Provisions for Retirement Benefits | | 1,315,835.00 | 1,989,191.35 |
| Operating profit before working capital changes | | (10,655,010.87) | (1,487,910.55) |
| | | | |
| Inventory (increase)/decrease | | (480,516.02) | 2,991,066.28 |
| Gratuity payment | | (275,870.00) | - |
| Trade and other receipts (increase)/decrease | | 5,452,011.90 | 70,029,556.22 |
| Increases / decreases in trade and other payables | | (919,193.20) | (362,688,481.14) |
| Cash generated from operating activities | | 3,776,432.68 | (289,667,858.64) |
| Net cash provided by operating activities | | (6,878,578.19) | (291,155,769.19) |
| | | | |
| Received (used) / cash flow from investing activities | | | |
| Acquisitions of property, plant and equipment | 1 | (3,041,803.91) | (3,167,031.42) |
| Disposals/Removals of Property, Plant and Equipment | | - | 1,801,900.00 |
| Interest income earned from investment activities | | 10,863,415.38 | 14,428,781.83 |

| | | |
|--|----------------------------|----------------------------|
| Income from sale of vehicles | | 312,000.00 |
| Remittance to the treasury proceeds from the vehicle sales | | (312,000.00) |
| Increase in fixed deposits at maturity | (13,640,294.78) | - |
| Increase / decrease in saving deposits | (32,830.04) | 1,249,904.66 |
| Increase / decrease in fixed deposits | 10,449,656.47 | 118,544,565.95 |
| Increase / decrease in fixed deposits | (3,100,000.00) | (177,546,191.37) |
| Net cash received by investing activities / (used). | 1,498,143.12 | (44,688,070.35) |
| Cash flow received/used by financing activities | | |
| Receipts of funds | 37,499,400.00 | 48,650,000.00 |
| Grant money | (37,499,400.00) | (47,650,000.00) |
| Distress Loans and Ten Month Loan payments | (250,000.00) | (500,000.00) |
| Distress Loans and Ten Month Loan Repayments | 2,897,544.60 | 2,611,052.71 |
| Interest income earned from financing activities | 262,545.77 | 301,963.37 |
| Loan repayments | - | (2,727,129.50) |
| Loan receipts | - | 2,849,950.00 |
| Increase / decrease in fixed deposits | 2,910,090.37 | 3,535,836.58 |
| Net Increases / (Decreases) in Cash and Cash Equivalents | (2,470,344.70) | (332,308,002.96) |
| Cash and cash equivalents at the beginning of the year | 4,298,177.67 | 336,606,180.63 |
| Cash and cash equivalents at the end of the year | <u>1,827,832.97</u> | <u>4,298,177.67</u> |
| Note - A | | |
| Bank balance | 1,827,832.97 | 4,298,177.67 |
| | <u>1,827,832.97</u> | <u>4,298,177.67</u> |

We certify that the financial statements have been prepared in compliance with the requirements of Public Sector Accounting Standards.

Chairman: *[Signature]* Director: *[Signature]* Assistant Director (Finance): *[Signature]*
 Mr. D.M.T. Dewagamage Dir. K.R.S. Karavita Mrs. M.S. Ambeypitia

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on behalf of the Board of Directors.

Directors: 1. *[Signature]* 2. *[Signature]*
 Secretary, P. S. M. Senadheera
 State Ministry of Promoting the Production & Regulating the Supply of Fertilizer, Paddy, Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture.



Sri Lanka National Freedom from Hunger Campaign Board

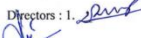

Statement of Change of Equity for the year ended 31st December 2021

| | Audit Fund Rs. | Fund Balance Rs. | Consolidated Fund Rs. | Total Rs. |
|--|------------------------------|-------------------------------|------------------------------|------------------------------|
| Balance as at 01.01.2021 | 328,671,316.14 | 48,208,598.54 | 106,905,238.46 | 483,785,153.14 |
| Funds received | | 37,499,400.00 | | 37,499,400.00 |
| Grant money | | (37,499,400.00) | | (37,499,400.00) |
| Prior year adjustments | | 18,990.50 | 147,093.32 | 166,083.82 |
| Amortization for the year | | (3,449,181.79) | | (3,449,181.79) |
| Revaluation Surplus / (Deficit) | | | | |
| Net Surplus / (Deficit) | | | (3,828,645.48) | (3,828,645.48) |
| | <u>328,671,316.14</u> | <u>(44,778,407.25)</u> | <u>103,223,686.30</u> | <u>476,673,409.69</u> |

We certify that the financial statements have been prepared in compliance with the requirements of Public Sector Accounting Standards.

Chairman: Mr. D.M.T. Dewagiri
 Director: Dr. K.R.S. Karawita
 Assistant Director (Finance): Mrs. M.S. Ambeypitaya

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on behalf of the Board of Directors.

Directors: 1.  2. 
 Secretary: **P. S. M. Senadheera**
 State Ministry of Promoting the Production & Regulating the Supply of Fertilizer, Paddy, Grains, Organic Foods, Vegetables, Fruits, Chilies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture.

M.N. Ranasinghe
 Secretary
 State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer, and Paddy & Grains, Organic Foods, Vegetables, Fruits, Chilies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture
 No. 45, Galle Road, Colombo 05.



Sri Lanka National Hunger Eradication Campaign Board

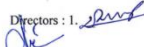

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31
DECEMBER 2021

| | Actual 2019 Rs. | The original budget Rs. | The revised budget Rs. | The difference between original budget and actual budget Rs. |
|---|--------------------|-------------------------------|------------------------------|---|
| Income and receipts | | | | |
| Treasury/Ministry Grants -Capital | | 210,550,000.00 | 5,120,000.00 | 5,120,000.00 |
| Treasury/ Ministry Grants -Recurrent | 37,499,400.00 | 269,899,000.00 | 50,000,000.00 | 12,500,600.00 |
| Income | 26,087,906.78 | 74,848,000.00 | 65,500,000.00 | 39,412,093.22 |
| Savings , fixed deposits and other interest income | 11,125,961.15 | 16,000,000.00 | 16,000,000.00 | 4,874,038.85 |
| Surplus on disposal of assets | 97,916.64 | 500,000.00 | 500,000.00 | 402,083.36 |
| Other income | 344,000.00 | 720,000.00 | 720,000.00 | 376,000.00 |
| Expenditure | | | | |
| Personal Remuneration | 39,773,992.98 | 49,628,700.00 | 48,758,000.00 | 8,984,007.02 |
| Travelling expenses | 266,071.20 | 2,000,000.00 | 600,000.00 | 333,928.80 |
| Supplies and Requirements | 23,969,316.97 | 262,563,800.00 | 54,290,000.00 | 30,320,683.03 |
| Repair and maintenance of fixed assets | 3,638,967.39 | 20,945,900.00 | 10,090,000.00 | 6,451,032.61 |
| Translation, communication, support and other services | 11,815,997.53 | 25,627,900.00 | 18,952,500.00 | 7,136,502.47 |
| Capital expenses | 3,041,803.91 | 210,550,000.00 | 5,120,000.00 | 2,078,196.09 |

We certify that the financial statements have been prepared in compliance with the requirements of Public Sector Accounting Standards.

Chairman: Mr. D.M.T. Dewegoda
Director: Dr. K.R.S. Karawita
Assistant Director (Finance): Mrs. M.S. Ambepitiya

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of the Directors and signed on behalf of the Board of Directors.

Directors: 1.  2. 
Secretary, P. S. M. Senadiveera
State Ministry of Promoting the Production & Regulating the Supply of Fertilizer, Paddy Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture.
Bataramulla

M.N. Ranasinghe
Secretary
State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer, and Paddy & Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture
Bataramulla



Note 01
Non-current Assents

| Asset type | Land and buildings | Motor vehicles | Machinery and Equipment | Office equipment | Lumber and fixtures | Agricultural equipment | Garden equipment | Other equipment | Photographic and cinematographic equipment | Temporary buildings | Measuring instruments | Computer equipment | Software | Collection |
|---|--------------------|----------------|-------------------------|------------------|---------------------|------------------------|------------------|-----------------|--|---------------------|-----------------------|--------------------|--------------|-----------------|
| Balance as on 01.01.2021 | 328,009,409.49 | 3,289,136.99 | 2,086,887.45 | 1,133,959.92 | 1,221,513.46 | 219,369.09 | 448,184.29 | 134,221.34 | - | 1,567,990.85 | 165,131.52 | 631,664.98 | 367,200.00 | 339,274,669.38 |
| Additions | - | - | - | 252,050.00 | 359,390.00 | 1,762,321.83 | 251,628.00 | 279,927.00 | - | 111,487.08 | - | - | 25,000.00 | 3,041,803.91 |
| Correction of Depreciation in 2021 | - | - | - | - | - | - | - | (4,000.00) | - | - | - | - | - | (4,000.00) |
| Disposals / Transfers (Accumulated Depreciated Values) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation for the year | (2,280,669.12) | (1,160,500.00) | (1,053,306.54) | (470,614.19) | (431,034.90) | (106,937.23) | (165,464.66) | (119,899.80) | - | (111,999.34) | (62,579.41) | (302,120.62) | (120,553.42) | (6,385,679.23) |
| Net Revaluation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net value as on 31.12.2021 | 325,728,740.37 | 2,128,636.99 | 1,033,580.91 | 915,395.73 | 1,149,868.56 | 1,874,753.69 | 534,347.63 | 290,248.54 | - | 1,567,478.59 | 102,552.11 | 329,544.36 | 271,646.58 | 335,926,794.05 |
| Total surplus of revaluation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total of deficit of revaluation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross capacitance value | 335,286,275.53 | 12,102,500.00 | 7,743,393.00 | 4,140,125.23 | 3,580,196.32 | 2,721,521.81 | 1,218,063.73 | 1,650,577.00 | 3,540.00 | 2,351,473.97 | 443,637.03 | 3,047,286.50 | 1,114,000.00 | 375,402,590.12 |
| Accumulated depreciation | (9,557,535.16) | (9,973,863.01) | (6,709,812.09) | (3,224,729.50) | (2,430,327.76) | (846,768.12) | (683,716.10) | (1,360,328.46) | (3,540.00) | (783,995.38) | (341,084.92) | (2,717,742.14) | (842,353.42) | (39,475,796.06) |

Sri Lanka National Freedom from Hunger Campaign Board I Annual Report 2021

| | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|------------------|------------------|----------------|------------------|------------------|----------------|----------------|---|------------------|----------------|----------------|----------------|--------------------|
| Net capacitan ce value | 325,72 8,740. 37 | 2,128,63 6.99 | 1,033,58 0.91 | 915,395. 73 | 1,149,86 8.56 | 1,874,7 53.69 | 534,34 7.63 | 290,248 .54 | - | 1,567,47 8.59 | 102,552 .11 | 329,544. 36 | 271,646. 58 | 335,926.7 94.05 |
|---------------------------------------|------------------------|------------------|------------------|----------------|------------------|------------------|----------------|----------------|---|------------------|----------------|----------------|----------------|--------------------|

We certify that the financial statements have been prepared in compliance with the requirements of Public Sector Accounting Standards.

Chairman: Mr. D.M.T. Dewegoda
 Director: Dr. K.R.S. Karavita
 Assistant Director (Finance): Mrs. M.S. Ambepitiya

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of the Directors and signed on behalf of the Board of Directors.

Directors : 1. *[Signature]* 2. *[Signature]*

Secretary,
 State Ministry of Promoting the Production & Regulating the Supply of Fertilizer, Paddy & Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture.

M.N. Ranasinghe
 Secretary
 State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer, and Paddy & Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture
 66/5, "Sri Lanka Mandirana"
 Battaramulla

P. S. M. Senadheera
 Director General
 Quality of Fertilizer
 Battaramulla

[Seal of the State Ministry of Promoting the Production & Regulating the Supply of Fertilizer, Paddy & Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture]

Note 02

Trading and Profit and Loss Accounts**Plant Shop - Narahenpita**

Trade and Profit and Loss Accounts for the year ended 31.12.2021

| Items | 2021 Rs. | 2020 Rs. |
|--------------------------|---------------------|---------------------|
| Trade income | 7,125,392.83 | 9,748,603.90 |
| Less: Cost of sales | | |
| Opening stock | 1,162,902.76 | 1,063,313.01 |
| Purchases | 5,045,419.75 | 7,309,309.97 |
| | | |
| Closing stock | (877,829.84) | (1,162,902.76) |
| | 5,330,492.67 | 7,209,720.22 |
| | | |
| Gross profit/loss | 1,794,900.16 | 2,538,883.68 |
| | | |
| Overhead costs | 2,308,106.53 | 1,620,177.28 |
| | | |
| Net Profit/Loss | (513,206.37) | 918,706.40 |

Dehiwala Agro Fresh

Trade and Profit and Loss Account for the year ended 31.12.2021

| Items | 2021 Rs. | 2020 Rs. |
|--------------------------|-----------------------|-----------------------|
| Trade income | 9,526,904.25 | 10,278,110.08 |
| Less: Cost of sales | | |
| Opening stock | - | 1,932,008.60 |
| Purchases | 10,155,351.42 | 7,739,246.27 |
| | | |
| Closing stock | (1,439,604.31) | |
| | 8,715,747.11 | 9,671,254.87 |
| | | |
| Gross profit/loss | 811,157.14 | 606,855.21 |
| | | |
| Overhead costs | 2,894,613.49 | 1,987,359.04 |
| | | |
| Net Profit/Loss | (2,083,456.35) | (1,380,503.83) |

Plant Shop - Dehiwala**Trading and Profit and Loss Account for the year ended 31.12.2021**

| Items | 2021 Rs. | 2020 Rs. |
|--|---------------------|---------------------|
| Trade Income (Plants and Fertilizers) | 4,703,827.00 | 6,302,297.00 |
| Less: Cost of sales | | |
| Opening stock | 797,826.18 | 579,784.89 |
| Purchases | 3,616,512.50 | 4,729,099.50 |
| | | |
| Closing stock | (1,127,757.16) | (797,826.18) |
| | 3,286,581.52 | 4,511,058.21 |
| | | |
| Gross profit/loss | 1,417,245.48 | 1,791,238.79 |
| | | |
| Overhead | (1,381,990.12) | (1,125,725.73) |
| | | |
| Net Profit/Loss | 35,255.36 | 665,513.06 |

Rice Flour Promotion Project**Trading and Profit and Loss Account for the year ended 31.12.2021**

| Items | 2021 Rs. | 2020 Rs. |
|----------------------------|-----------|------------------|
| Purchases | | 35,639.00 |
| Raw material cost | | 35,639.00 |
| Cost of production | | 35,639.00 |
| Sales revenue | | 13,506.55 |
| Less: Cost of sales | | |
| Opening stock | 24,580.00 | 107,137.36 |
| Cost of production | | 35,639.00 |
| | 24,580.00 | 142,776.89 |
| Stock damage | | (24,580.00) |
| Closing stock | | |
| Raw material cost | 24,580.00 | 118,196.86 |
| | | |

| | | |
|--------------------------|--------------------|---------------------|
| Gross profit/loss | (24,580.00) | (104,690.31) |
| | | |
| overhead costs | | (12,009.00) |
| | | |
| Net Profit/Loss | (24,580.00) | (116,699.31) |

Compost Project - Buttala

Trading and Profit and Loss Account for the year ended **31.12.2021**

| Items | 2021 Rs. | 2020 Rs. |
|-------------------------------------|---------------------|---------------------|
| Opening stock | 227,450.55 | 559,436.15 |
| Purchases | 2,319,900.00 | 3,003,305.00 |
| Closing stock- raw materials | (663,545.75) | (227,450.55) |
| | 1,883,804.80 | 3,335,290.60 |
| Cost of production | 1,883,804.80 | 3,335,290.60 |
| | | |
| trading income | 2,264,740.00 | 4,151,090.00 |
| Deduction: Cost of sales | | |
| Cost of production | 1,883,804.80 | 3,335,290.60 |
| | | |
| Gross profit/loss | 380,935.20 | 815,799.40 |
| | | |
| overhead costs | (288,000.00) | (544,000.00) |
| | | |
| Net Profit/Loss | 92,935.20 | 271,799.40 |

Traditional Rice Project**Trading and Profit and Loss Account for the year ended 31.12.2021**

| Items | 2021 Rs. | 2020 Rs. |
|----------------------------|-----------------------|---------------------|
| Opening stock | 567,930.97 | 2,440,095.62 |
| Purchases | 623,875.00 | 576,395.05 |
| Closing stock | (107,790.01) | (567,930.97) |
| | 1,084,015.96 | 2,448,559.70 |
| Cost of production | 1,084,015.96 | 2,448,559.70 |
| Trading income | 2,322,210.70 | 2,040,006.10 |
| Less: Cost of sales | | |
| Opening stock | 1,029,411.69 | 357,202.30 |
| Cost of production | 1,084,015.96 | 2,448,559.70 |
| | 2,113,427.65 | 2,805,762.00 |
| Stock damage | (400.00) | (29,269.00) |
| Closing stock | (73,691.10) | (1,000,142.69) |
| | 2,039,336.55 | 1,776,350.31 |
| Gross profit/loss | 282,874.15 | 263,655.79 |
| overhead | (2,641,123.94) | (396,878.02) |
| Net Profit/Loss | (2,358,249.79) | (133,222.23) |

Buttala farm

Trading and Profit and Loss Account for the year ended 31.12.2021

| Items | 2021 Rs. | 2020 Rs. |
|---------------------------|-----------------------|---------------------|
| Purchases | 781,022.00 | |
| Trade income | 78,880.00 | 41,955.00 |
| Cost of production | 781,022.00 | |
| | | |
| Gross profit/loss | (702,142.00) | 41,955.00 |
| | | |
| overhead costs | 1,868,500.93 | 463,076.14 |
| | | |
| Net Profit/Loss | (2,570,642.93) | (421,121.14) |

Thanamalvila Farm

Trading and Profit and Loss Account for the year ended 31.12.2021

| Items | 2021 Rs. | 2020 Rs. |
|---------------------------|---------------------|---------------------|
| Farm income | | 97,324.00 |
| Cost of production | 5,830.00 | 17,720.00 |
| | | |
| Gross profit/loss | (5,830.00) | 79,604.00 |
| | | |
| overhead costs | (868,826.55) | (428,169.68) |
| | | |
| Net Profit/Loss | (874,656.55) | (348,565.68) |

Vegetable ProjectTrading and Profit and Loss Account for the year ended **31.12.2021**

| Items | 2021 Rs. | 2020 Rs. |
|--------------------------|--------------|---------------------|
| Trade income | | 1,887,670.40 |
| Opening stock | 254,370.00 | |
| Purchases | | 1,766,940.68 |
| Packaging | | 400,011.93 |
| Closing stock | (254,370.00) | (254,370.00) |
| | | 1,912,582.61 |
| Gross profit/loss | | (24,912.21) |
| | | |
| Overhead costs | | (346,862.42) |
| | | |
| Net Profit/Loss | | (371,774.63) |

String Hopper flour ProjectTrading and Profit and Loss Account for the year ended **31.12.2021**

| Items | 2021 Rs. |
|----------------------------|------------------|
| Trade income | 65,952.00 |
| Less: Cost of sales | |
| Opening stock | |
| Purchases | |
| Packaging | |
| Closing stock | |
| | |
| Gross profit/loss | 65,952.00 |
| | |
| Overhead costs | 40,588.00 |
| | |
| Net Profit/Loss | 25,364.00 |

Trade profit/loss account

| The project | 2021 | | 2020 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Gross Profit/(Loss) | Gross Profit/(Loss) | Gross Profit/(Loss) | Net Profit/(Loss) |
| Plant Sales Centre - Narahenpita | 1,794,900.16 | (513,206.37) | 2,538,883.68 | 918,706.40 |
| Dehiwala Sales Centre | 811,157.14 | (2,083,456.35) | 606,855.21 | (1,380,503.83) |
| Plant Sales Centre - Dehiwala | 1,417,245.48 | 35,255.36 | 1,791,238.79 | 665,513.06 |
| Rice Flour Project - Kalankutty | (24,580.00) | (24,580.00) | (104,690.31) | (116,699.31) |
| Buttala compost | 380,935.20 | 92,935.20 | 815,799.40 | 271,799.40 |
| Traditional Rice Project | 282,874.15 | (2,358,249.79) | 263,655.79 | (133,222.23) |
| Buttala farm | (702,142.00) | (2,570,642.93) | 41,955.00 | (421,121.14) |
| Tanamalwila Farm | (5,830.00) | (874,656.55) | 79,604.00 | (348,565.68) |
| Vegetable project | | | (24,912.21) | (371,774.63) |
| BFN project | | | (8,880.00) | (125,490.00) |
| Maize (Import) Project | | | 2,373,760.00 | 2,373,760.00 |
| String Hoppers project | 65,952.00 | 25,364.00 | | |
| Total | 4,020,512.13 | 8,271,237.43 | 8,373,269.35 | 1,332,402.04 |

03. Direct Development Expenditure is given under grant money.
04. All expenses incurred for the administration of the Head Office have been borne under the treasury funds.

05. Treasury Funds

| Description | Budget Provisions | 2021 Actual expenses | Provisions received from the Treasury in the year 2021 | Surplus / Deficiency |
|------------------|-------------------|----------------------|--|----------------------|
| Recurrent | 50,000,000.00 | 49,414,466.60 | 37,499,400.00 | 12,500,600.00 |
| Capital | 5,000,000.00 | | | 5,000,000.00 |
| | | | 37,499,400.00 | |

06. The Sri Lanka National Freedom from Hunger Campaign Board has filed an appeal against the St. George Endavars and solution (Pvt) Ltd in the case of illegal construction of a fence at Ambalantota Farm worth Rs 3,209,728.53.

07. The amount of Rs. 81,134,631.80 in the small tank development project has been deducted from the deposits in the following manner in the years 2017 and 2018.

| | |
|---|---------------------------------|
| Refundable Deposits | Rs. 81,134,631.80 |
| The expenditure incurred in the year 2017 was | Rs. (1,445,668.16) |
| Expenses incurred in the year 2018 | Rs. <u>(1,924,927.39)</u> |
| | Rs, <u>77,764,036.25</u> |

08. A committee appointed by the Ministry of Agriculture has conducted an FR 104 inquiry into the shortage of soya stock. This report was presented at the last 415th Board meeting. The Board of Directors directed to act on the recommendations of the Committee.

09. A complaint has been lodged with the Anuradhapura Police Station regarding shortage of rice in the Savastipura warehouse stored under the Rice Processing Project.

10. * In the year 2021, an amount of Rs. 122,820.50 was received from the Farmers Trust Fund for the expenditure incurred for the vegetable project for the year 2020. Out of the amount received Rs. 18,990.50 is shown under fund balance and Rs. 103,830.00 has been shown under Accumulated Fund.

- Rs.4,000.00 less depreciation on other equipment in 2020 and this adjustment is shown under Accumulated Fund.
 - Due to usability of the goods given in previous years from Sri Lanka Tiposha Limited, the amount due (Rs. 17,736.68) has been adjusted to the accumulated fund.
- In 2020, the allocation for audit fee is less than expected (Rs. 20,000.00) hence it is shown in Accumulated Fund. Also in 2019, the amount allocated for the audit fee exceeded Rs.85,000.00, so it has been adjusted to the accumulated fund.

11. In the cash flow statement for the year 2020, the amount of ministry grants not received as cash has been shown as cash amounting to Rs.1,125,707.26. The amount has been correctly entered in the 2020 reports. Further, the revenue generated by disposal of the vehicle in 2020 was Rs 312,000 and remitted to the treasury. It is not mentioned in the cash flow for the year 2020. It has been corrected in the statements related to the year 2020 in the cash flow statement.

12. The Ministry is currently conducting an investigation regarding the amount of Rs. 691,211.68 (trade debtors).

13. Projects could not be successfully completed in 2021 due to the Corona epidemic situation.

14. An investigation team of the Ministry of Public Administration has conducted an investigation regarding the fraud at the Narahenpita plant sales center. Charge sheets have been sent to prosecutors.

2021 Audit Report

Chairman

Sri Lanka National Freedom from Hunger Campaign Board

Report of the Auditor-General pursuant to Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other statutory and regulatory requirements of the Sri Lanka National Freedom from Hunger Campaign Board for the year ending 31st December 2021

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka National Freedom from Hunger Campaign Board for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report. In my opinion, except for the effects of the matters described in paragraph, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

The financial statements set out the financial position of the Board as on 31st December 2021 and its financial position for the year ended above, excluding the impact of the matters mentioned in my report in relation to the forward-looking opinion; It is my opinion that the financial statements have been prepared to give a true and fair view of the performance and cash flows in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for the opinion

1.2.1 Accounting Deficiencies

1,451,198 rupees in the review year at a total cost of 1,451,198 rupees in the 10-acre Puttala agricultural farm land for land development activities such as construction of a well, repair of elephant fence, construction of a joint plantation and 16 acres of Thanamalvila agricultural farm land in the 16-acre Thanamalvila agricultural farm land for rehabilitating small irrigation ponds of 500,000 rupees in the review year. had been paid. However, no action has been taken to show the ownership of the lands to the board and show them in the financial statements.

I have conducted the audit in accordance with the Sri Lanka Auditing Standards (SAAS). My responsibilities under these auditing standards are further explained in the Auditor's Responsibilities Regarding the Audit of Financial Statements section of this report. It is my belief that the audit evidence obtained by me is sufficient and relevant to provide a basis for my opinion.

1.3 Other information contained in the 2021 Annual Report of the Board

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lankan Public Sector Accounting Standards and for such internal controls as management determines are necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

My opinions on the financial statements do not include any other information and I do not express any evidence or opinion in relation to them.

According to my review of the financial statements, My responsibility is to read the other information identified above and, in doing so, to consider whether the other information is sufficiently inconsistent with the financial statements or with knowledge obtained during the audit or otherwise.

If I determine that there is a material misrepresentation in the 2021 Annual Report of the Board, such matters shall be communicated to the Administrative Department for correction. And if they are found to be erroneous without amendment, they shall be

included in a report laid by me on the floor of Parliament in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibilities of management and related parties for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lankan Public Sector Accounting Standards and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the responsibility of the management to determine the going concern of the board and unless the management considers to dissolve the board or take action to suspend operations unless there is no other alternative, it is the responsibility of the management to use the going concern basis of accounting and disclose the matters necessary for the board to continue as a going concern.

Responsibility for the Board's financial reporting process with its governing parties.

In terms of sub-section 16(1) of the National Auditing Authority Act No. 19 of 2018, the Board shall maintain proper books and records relating to all its income, expenditure, assets and liabilities so as to enable it to prepare annual and periodic financial statements.

1.5 Auditor's responsibility in relation to audit of financial statements

My objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the Chief Auditor containing my opinion. Although reasonable assurance is a high level of assurance, it is not always assurance of the absence of material misstatement when performing an audit in accordance with the Sri Lankan Accounting Standards. Fraud or errors, both individually or in the aggregate, may result in material

misstatements and should be considered when making financial decisions by users based on these financial statements.

Audited by me in accordance with Sri Lanka Auditing Standards with sectorial transparency and industry background. Further

- The basis of my opinion is to identify the risk of material misstatement of the financial statements due to fraud or error and to design audit procedures appropriate to the occasion during the evaluation and to obtain sufficient and appropriate audit evidence to avoid such risks due to fraud or error. The impact of fraud is greater than the impact of material misstatement, and misalignment, preparation of false documents, willful omissions, or circumvention of internal controls constitute a fraud.
- In connection with the audit to design audit procedures appropriate to the circumstances; to obtain knowledge of the entity's internal controls and not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluating the appropriateness of accounting policies followed by management and the fairness of accounting estimates used and related disclosures.
- Determining the appropriateness of the use of the going concern basis of accounting based on audit evidence obtained as to whether events or conditions have caused substantial uncertainty as to the entity's continued existence as a going concern. If I conclude that a material uncertainty exists, I must refer to my auditor's report for the related disclosures in the financial statements and express my opinion if the disclosures are not material. However, future events or conditions may terminate the Board's continuing status.
- Evaluating the overall presentation, structure and contents of the financial statements, including disclosures, and evaluating whether the financial statements include transactions and events that are reasonable to achieve a fair presentation.

The scope has been extended to examine the following as far as possible and in any case where necessary.

2. Statement of other legal and regulatory requirements

2.1 The National Audit Act No. 19 of 2018 contains special provisions regarding the requirements mentioned.

2.1.1 In accordance with the requirements mentioned in section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the necessary information and explanations regarding the audit, and the appropriate financial board has been maintained as revealed in my examination, apart from the implications of the matters described in the basic section as per the proactive opinion in my report.

2.1.2 Apart from this, the financial statements of the Board have been reconciled with the previous year as required by section 6(1) (e) (111) of the National Accounts Act No. 19 of 2018.

2.1.3 Except as required by section 69(1) (e) (4) of the National Audit Act No. 19 of 2018, the financial statements submitted by me include the recommendations made by me during the ensuing year.

2.2 According to the procedures followed and the evidence received and subject to limitations to the sufficiency of the matter, nothing has come to my attention to disclose as specified below.

2.2.1 Except as required in section 12 (d) of the National Accounts Act No. 19 of 2018, any member of the Board's controlling body has an apparent connection, direct or otherwise, from the general business situation in relation to any agreement with which the Board has communicated.

2.2.2 Except as required in section 12 (f) of the National Accounts Act No. 19 of 2018, which has acted in non-compliance with any relevant written law or other general or special orders issued by the Board of Control.

| <u>Compliance with laws/regulations</u> | <u>Observations</u> |
|---|--|
| (a) Financial Regulation of the Democratic Socialist Republic of Sri Lanka 104 | In 2018, 37,223 kg of soya worth Rs 4,094,596 worth Rs 4,094,596 in the Anuradhapuram Upulteniya warehouse was investigated and no action was taken to recover it from those responsible for missing. |
| (b) Finance Act 371(2) as amended by Government Finance Circular No. 01/2020 dated 28 August 2020 | Although the operational sub-budget received on completion of the works was to be settled, it took between 07 days and 199 days to settle 24 advances amounting to Rs.660,400 for traveling expenses, sundry purchases and entertainment expenses of 06 officers during the year under review. |
| (c) Govt. financila Circular no 01/2014 dated 11th February, 2014 | The revised Action Plan of the Board in 2021 does not include the organizational structure for the relevant year, the details regarding the approved officers and the existing officers, the allowance for the relevant year, the revenue plan for the main revenue projects, the budget requirement plan for the annual activities. |

2.2.3 Except as per the requirements mentioned in section 12 (a) of the National Accounts Act No. 19 of 2018, except for the observations specified below, the powers, functions and duties of the Board have not been worked in compliance.

During the years 2017 and 2018, operations were carried out to remove soil from ponds and sell them to highways for purposes other than those specified in the Sri Lanka National Hunger Eradication Campaign Act No. 15 of 1973. An expenditure of Rs

3,370,595 was incurred for soil removal and an income of Rs 81,134,631 was received from the sale of soil for expressways. According to the pond project report, it was shown that money should have been received from the appropriate agricultural organization Boards for the land and the money was involved with the financial arrangement of the government to develop the small ponds under the advice of the engineer of the Public Welfare Development Department, but otherwise the amount of Rs. 77, 764, 036 was withheld in the fixed deposit account.

(a) In Thanamalvila Farm, more than 60 percent of general maintenance expenditure was spent on salaries and wages and due to declining income, there was a decline in income from 2017 to 2021. In 2021, the loss due to non-receipt of any income was Rs 874,826.

2.2.4 Apart from the failure to procure and use the resources of the Board in an economical, efficient and effective manner within the time limit in accordance with the relevant laws as per the specific requirement in section (f) of the National Accounts Act No. 19 of 2018.

2.3 Other matters

(a) In Thanamalvila Agricultural Farm, more than 60 percent of general maintenance expenditure was spent on salaries and wages and due to reduced income, there was a decline from 2017 to 2021. In 2021, the loss due to non-receipt of any income was Rs 874,826.

(b) As per the financial year , board has been carried out 5 projects out of 8 projects which had been lost as the total was Rs. 8,400,212 .Those projects were plant nursery project , traditional rice project and farm development project .

(c) During the period of 03 years from 2019 to 2021, all the projects including Maternal Feeding Project, Sukabosa Project, Dosa Ma Production Project, Soya-Based Food Production Project and Fruit Juices Project carried out by the Board through the Food Technology Unit of the Department of Agriculture were stopped due to malfunctioning of machinery and problems in supplying raw materials.

(d) As per financial statements of the Board on 31st December 2021 Rs. 691,211 amount in 08 years were found to be outstanding dues from old government companies, private companies and individuals and it was further observed that some of the outstanding balances mentioned in the debtors document were false.

signed by

W. B.C. Wickramasinghe

Auditor General

Acknowledgment

The Sri Lanka National Freedom from Hunger Campaign Board expresses its gratitude to the entire staff for their support and hard work in the implementation of the Rapid Action Note. Without their continued support and dedication, the work completed this year would not have been possible. We would also like to thank the Chairman, Vice Chairman and Board members for their valuable support and assistance at all times.

He, the Chairman of the Sri Lanka National Freedom from Hunger Campaign Board expresses his thanks to the Minister of Agriculture, the Secretary, the Additional Secretaries, the Chief Accountant, the Project Director and other staff of the Ministry and the staff of the Audit Unit, who have provided excellent support to the Sri Lanka National Freedom from Hunger Campaign Board for the successful completion of the work plan of 2021.